



ACQUISITION AND  
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-3000

SEPT 2, 1998

DP/CPA

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT)  
DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,  
ASN(RD&A)/ABM

SUBJECT: Reinstatement of Small Business Set-asides Under the  
Small Business Competitiveness Demonstration Program

The Office of Federal Procurement Policy (OFPP) implemented the Small Business Competitiveness Demonstration Program by issuance of a test plan on August 31, 1989, and an amended test plan on April 16, 1993. The program was further implemented in FAR subpart 19.10 and DFARS subpart 219.10.

Under the program, small business set-asides were initially suspended for certain designated industry groups. Agencies are required by paragraphs III.D.2.a. and IV.A.4. of the OFPP test plan to reinstate the use of small business set-asides whenever the small business awards under any designated industry group fall below 40 percent or whenever small business awards under an individual Standard Industrial Classification (SIC) Code or Service Code within the designated industry group fall below 35 percent. Reinstatement is to be limited to the organizational elements (in the case of DoD, the individual Military Departments or other Components) that failed to meet the small business participation goals.

The DoD procurement data system indicates that for the 12 months ending June 1998, our awards under the following industries fell below the 40 percent (SIC Code 3731. Service Codes J998 and J999) or 35 percent (SIC Codes 1629 and 1791) thresholds. Accordingly, pursuant to DFARS 219.1006(b) (2), I direct the reinstatement of small business set-aside procedures pursuant to subpart 19.5 of the FAR for all solicitations issued on or after the date of this letter, or as soon thereafter as practicable, as follows:

<u>Industry</u>	<u>Applicable to:</u>
Non-Nuclear Ship Repair SIC Code 3731, Service Codes J998 and J999	All Navy Activities
Construction Major Group 17 - SIC Code 1791 only	All Navy Activities

Industry

Construction

Major Group 16 -  
SIC Code 1629 only

Applicable to:

All Army Activities

The reinstatement of small business set-aside procedures for Construction Major Group 15 for all Army and Navy contracting activities and SIC Code 1629 for all Navy contracting activities remains in effect (memorandum dated June 17, 1998). Also, the departmentwide reinstatement of small business set-aside procedures for the designated industry group titled "Architectural and Engineering Services" remains in effect (memorandum dated September 30, 1991). Also, OFPP raised the emerging small business reserve amount for Architectural and Engineering Services from \$25,000 to \$50,000 on September 13, 1991; this increase remains in effect.

Please ensure that all appropriate contracting personnel are notified of the changes to the Small Business Competitiveness Demonstration Program, and that timely implementation is effected.



Eleanor R. Spector  
Director, Defense Procurement

cc:  
DIR, SADB  
SAF/AQC  
DEPDIR (ACQ), DLA  
DIR DEFENSE AGENCIES  
CDR IN CHIEF, SOCOM  
DIR, DOD EDUCATION ACTIVITY  
DIR, TRICARE MANAGEMENT ACTIVITY  
PRESIDENT, USUHS  
DIRECTOR, WHS

**COMMODITY FUTURES TRADING COMMISSION**

Petition of the London Clearing House Limited for Exemption Pursuant to Section 4(c) of the Commodity Exchange Act

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Extension of comment period of petition for exemption.

**SUPPLEMENTARY INFORMATION:** The Commodity Futures Trading Commission (Commission) publishes for comment on July 7, 1998 (63 FR 36657), a petition submitted by the London Clearing House Limited (LCH) requesting an exemption, pursuant to Section 4(c) of the Commodity Exchange Act, in connection with LCH's proposed provision of clearing services for certain swap agreements. Comments on LCH's petition were due by September 8, 1998. In response to a request by the International Swaps and Derivatives Association, Inc., the Commission has determined to extend the comment period for an additional 15 days. The extended deadline for comments on the LCH petition is September 23, 1998. The Commission believes that this extension should give all parties sufficient time to consider and comment upon the LCH petition and will look with disfavor upon any further requests for an extension of the comment period.

Any person interested in submitting comments on the LCH petition should submit them by the specified date to Jean A. Webb, Secretary, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, DC 20581. In addition, comments may be sent by facsimile transmission to facsimile number (202) 418-5521, or by electronic mail to [secretary@cftc.gov](mailto:secretary@cftc.gov).

Copies of the LCH petition are available for inspection at the Office of the Secretariat at the above address. Copies also may be obtained through Office of the Secretariat at the above address or by telephone at (202) 418-5100 or on the Commission's Internet web site (<http://www.cftc.gov>).

**DATES:** Comments must be received on or before September 23, 1998.

**FOR FURTHER INFORMATION:** Thomas J. Joseph, Attorney Adviser, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W.

Washington, DC 20541. Telephone (202) 418-5430.

Issued in Washington, DC on September 8, 1998 by the Commodity Futures Trading Commission.

Jean Webb,  
Secretary of the Commission  
[FR Doc. 98-24574 Filed 9-11-98; 8:45 am]  
BILLING CODE 6351-01-M

**DEPARTMENT OF DEFENSE**

**Reinstatement of Small Business Set-asides for Certain Acquisitions Under the Small Business Competitiveness Demonstration Program**

**AGENCY:** Department of Defense (DoD).

**ACTION:** Notice of reinstatement of small business set-asides under the Small Business Competitiveness Demonstration Program.

**SUMMARY:** The Director of Defense Procurement has reinstated the use of small business set-aside procedures for certain non-nuclear ship repair and construction acquisitions conducted by the Departments of the Navy and Army. Included in the reinstatement are solicitations issued under Standard Industrial Classification (SIC) Code 3731 (Service Codes J998 and J999) (Navy only), SIC Code 1791 (Navy only), and SIC Code 1629 (Army only; note, however, that use of small business set-asides in this SIC Code was previously reinstated for the Navy and that reinstatement remains in effect).

**EFFECTIVE DATE:** September 2, 1998.

**FOR FURTHER INFORMATION CONTACT:** Mr. Michael Sipple, OUSD (A&T), Director of Defense Procurement, Contract Policy and Administration, Room 3C838, 3060 Defense Pentagon, Washington, DC 20301-3060, telephone (703) 695-8567.

**SUPPLEMENTARY INFORMATION:** The Office of Federal Procurement Policy (OFPP) implemented Title VII of Pub. L. 100-656 (15 U.S.C. 644 note) by issuance of the "Small Business Competitiveness Demonstration Program Test Plan" on August 31, 1989, amended April 16, 1993. The program was further implemented in Subpart 19.10 of the Federal Acquisition Regulation (FAR) and Subpart 2 19.10 of the Defense FAR Supplement (DFARS).

Under the program, small business set-asides were initially suspended for certain designated industry groups.

Agencies are required by paragraphs UI.D.2.a. and IV.A.4. of the OFPP test plan to reinstate the use of small business set-asides whenever the small business awards under any designated industry group falls below 40 percent or whenever small business awards under an individual SIC Code or Service Code within the designated industry group falls below 35 percent. Reinstatement is to be limited to the organizational elements (in the case of DoD, the individual military departments or other components) that failed to meet the small business participation goals.

For the 12 months ending June 1998, DoD awards in the industries shown below fell below the 40 percent (SIC Code 3731 (Service Codes J998 and J999)) or 35 percent (SIC Codes 1629 and 1791) thresholds. Accordingly, pursuant to DFARS 219.1006(b)(2), the Director of Defense Procurement has directed reinstatement of small business set-aside procedures for solicitations that involve the industry categories shown below. The reinstatement applies to solicitations issued by the applicable buying activities on or after September 2, 1998, or as soon thereafter as practicable:

Industry	Applicable to
Non-Nuclear Ship Repair, SIC Code 3731 (Service Codes J998 and J999).	All Navy Activities.
Construction, Major Group 17- SIC Code 1791 only.	All Navy Activities.
Construction Major Group 16- SIC Code 1629 only.	All Army Activities.

Consistent with the OFPP test plan, this reinstatement of set-asides will be periodically reviewed for continuation. The reinstatement of small business set-aside procedures for Construction Major Group 15 for all Army and Navy contracting activities and SIC Code 1629 for all Navy contracting activities remains in effect (memorandum dated June 17, 1998: 63 FR 37096, July 9, 1998). Also, the departmentwide reinstatement of small business set-aside procedures for the designated industry group titled "Architectural and Engineering Services" remains in effect (memorandum dated September 30, 1991).

**Michelle P. Peterson,**  
Executive Editor, Defense Acquisition Regulations Council

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